



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 2, 2010
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DOJ (202) 514-2007
TDD (202) 514-1888

SHIPPING COMPANY AND SENIOR CREWMEMBERS CONVICTED OF COVERING UP OIL POLLUTION

WASHINGTON – Atlas Ship Management Ltd., a Turkish Corporation, pleaded guilty in U.S. District Court in Tampa to federal charges of making false statements and knowingly failing to accurately maintain an Oil Record Book as required by international treaty and U.S. law, Assistant Attorney General Ignacia S. Moreno and U.S. Attorney Robert E. O'Neill announced today.

The company was sentenced to pay an \$800,000 criminal fine, pay \$100,000 in community service to the Pinellas County Environmental Fund, and to implement a comprehensive Environmental Compliance Program that requires detailed inspection and auditing of the defendant's ships that sail into the United States.

"As this case clearly demonstrates, there is no benefit to deliberately bypassing pollution prevention equipment and dumping oil waste into the ocean. This is simply criminal behavior," said Ignacia S. Moreno, Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice. "Thanks to a tip from crew members, the operators of the M/V Avenue Star will pay a significant penalty for breaking the law."

"The oceans must be protected from shipping companies that look to cut corners by dumping waste improperly," said Maureen O'Mara, Special Agent in Charge of EPA's Criminal Enforcement program for the Tampa region. "Illegally disposed waste endangers the environment and today's action sends a clear message that those who violate the law and pollute our waters will be vigorously prosecuted."

"We applaud the courage of two whistleblowers who alerted Coast Guard inspectors to the illegal dumping of waste from the Motor Vessel Avenue Star last year," said Capt. Sheryl Dickinson, Commanding Officer, U.S. Coast Guard Sector St. Petersburg. "Marine Environmental Protection is a primary Coast Guard mission and this case not only illustrates a joint commitment to keeping our waterways clean, but should also serve as a warning to would-be polluters."

Atlas Ship Management Ltd. operated a 10,965 ton, 471.5 foot commercial ocean going ship named the M/V Avenue Star that carried bulk cargo throughout the world including into and out of Tampa, Florida. On October 21, 2009, the United States Coast Guard boarded the ship to conduct an inspection of the vessel to ascertain if it was in compliance with international and

United States law. During the inspection, two crewmembers provided information to the Coast Guard that indicated that senior engineers on the vessel were illegally dumping oily waste from the engine room directly into the sea. The crewmembers also informed the Coast Guard that some oil waste was being stored in the clean sea water ballast tanks on the vessel. The Coast Guard inspection confirmed what the crewmembers had alleged. Engineers on the vessel had installed and used a bypass hose, also referred to as a "magic pipe" or "magic hose", specially crafted to fit between the welden sludge pump discharge line and the "gooseneck" on the Oil Water Separator discharge line, to bypass pollution prevention equipment on board the M/V Avenue Star. The ship's engineers discharged oily bilge wastes that had accumulated in the engineering spaces on the M/V Avenue Star through this "magic pipe" on two or more occasions.

Between October 10, 2009 until October 21, 2009, engineering officers and other crew members aboard the M/V Avenue Star transferred oily bilge wastes that had accumulated in the engineering machinery spaces into the aft port peak ballast tank. The ballast tanks are used to adjust the stability and trim of the vessel, and are filled with clean sea water and are not intended to be used to store oil waste. Prior to October 21, 2009, while the M/V Avenue Star was transiting from Honduras to Tampa, Florida, some volume of the oily waste was discharged from the ballast tank directly into international waters. All discharges of oil from a vessel into the sea, even if illegal, are required to be recorded in the vessel's Oil Record Book. None of these discharges were recorded in the Oil Record Book for the M/V Avenue Star.

The Chief Engineer of the vessel, Gunduz Avaz, previously pleaded guilty to and was sentenced for his role in covering up the illegal overboard oil discharges. The Second Assistant Engineer, Yavuz Molgultay, also previously pleaded guilty and was sentenced for his involvement in covering up the illegal discharges of oil from the ship.

For their role in providing valuable information to the United States Coast Guard that led to convictions in this case, the two crewmembers who "blew the whistle" in this case were each awarded \$125,000 by the District Court. The award money is derived directly from the fine paid by Atlas Ship Management Ltd.

The Pinellas County Environmental Fund will receive \$100,000 from this case as a community service payment. The Pinellas County Environmental Fund is a partnership among Pinellas County, the National Oceanographic and Atmospheric Administration, and the National Fish and Wildlife Foundation. The purpose of this partnership is to provide grants for projects that conserve and restore fish and wildlife habitat in Tampa Bay.

This case was investigated by the U.S. Coast Guard Investigative Service and the U.S. Environmental Protection Agency. The case was prosecuted by the United States Attorney's Office in the Middle District of Florida and by the Environmental Crimes Section.

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